

Live Bait & Ammo # 50

GM's business plan is based on unwarranted consumer confidence, low gas prices, and environmental destruction.

Crack addicts have brighter futures.

For years GM has downsized while Toyota has expanded. Their tracks are parallel as a two way street. Toyota produces hybrid vehicles. GM markets oil burning entertainment centers and pumps research dollars into mobile hydrogen bombs.

Investors are looking for signs of recovery but rehab is for quitters.

Riches to Rags

GM's Ex is a Riches to Rags Story.

Delphi was born with a silver spoon in its mouth - the largest auto supplier had a guaranteed market with the largest auto manufacturer. What entrepreneur could ask for more? Battenberg had every advantage and he blew it. Or so it would seem.

In March after news of malfeasance surfaced in the press, Delphi paid 3.9 million in cash to top executives. Two months later Battenberg was awarded 188,550 shares of stock for his poor performance. Alan Dawes, the Chief Financial Officer, forced to resign amid allegations of financial sleight-of-hand, was awarded 63,225 shares of stock for his poor performance. Donald Runkle bagged another 63,225 shares for not noticing anything. I'm surprised they didn't throw in some vestal virgins.

We Already Made Concessions

GM is pressing the UAW for cuts in health care. GM wants to compete with Toyota in cutting benefits rather than compete in quality, design, efficiency, marketing, and investment strategy.

We already made concessions on health care. Who would have guessed it wouldn't be enough?

In 2003 the UAW agreed to remove the health care factor from the cost of living calculation purportedly because UAW members had full medical benefits and weren't affected by inflation in medical care.

If we agree to increase premiums and copays will the COLA be fully restored and reimbursed?

On top of that concession, 2 cents is diverted from COLA every quarter to "secure pension improvements for current retirees and surviving spouses." It doesn't sound like much until you multiply it times sixteen quarters times 135,000 UAW members times the number of hours worked.

We also accepted higher copays for prescriptions and doctor visits.

Furthermore, the UAW agreed not to press the companies to fulfill their contractual commitments to Secure Employment Levels. Those 6,000 jobs will save more money than the annual cost of health care.

In addition GM wants to cut an additional 25,000 jobs over the next three years.

Where is the trade off? What does the UAW rank and file receive in return for concessions on jobs and health care? And how does the International mobilize workers to resist concessions?

Dear Miss Manners

On June 9 Shoemaker called a meeting for all Delphi and GM Local Chairpersons and Presidents paid for by joint funds which means that management paid for a union meeting and joined the meeting to influence discussion on contractual issues.

Maybe we should ask Miss Manners : If my date picks up the tab, am I expected to put out? Or will he be satisfied if I just listen real attentively to everything he has to say?

Shoemaker insisted the UAW would not reopen the contract, but rather would work within the confines of the contract to reduce health care costs for the company.

Not for union members, for the company- that is what "jointness" means. If the contract is not reopened, the UAW will claim victory. And the rank and file will not be required to ratify the concession though they would in effect be subsidizing management's incompetence, i.e., more "jointness".

Dodging Accountability

In March Chrysler and UAW VP Nate Gooden blazed the trail on concession without ratification. The gentleman's agreement requires active and retired Chrysler members to pay deductibles between \$100 and \$1,000 for health care that was free the year before.

Concessions don't save jobs, improve products, or sell vehicles. If UAW members agreed to pay for their own medical insurance, GM would not reduce the price of its cars. The Board of Directors would simply reward themselves. The only legitimate solution is Universal Health Care. The UAW should take the lead and reject all concessions until All Americans have Full and Equal Access to Health Care.

Wagoner is dodging accountability. Wagoner complains about health care costs but neglects to mention the \$9 billion GM paid for recall and warranty costs in 2004, or the one billion Saturn has lost every year since its inception. Hell, Wagoner paid Fiat \$2 billion for a warm gelato. Why should UAW members subsidize Wagoner's incompetence?

Gettelfinger acted tough in April when he refused to open the GM-UAW contract. Shoemaker even went so far as to echo what GM said to steelmakers who pleaded to renegotiate price agreements with GM. "A contract is a contract is a contract," he intoned sternly.

Bluster is the mark of a con.

Shake Hands and Come Out Grinning

The gentlemen have blown smoke and shaken hands. GM will reduce health care costs through workforce reduction and the cooperation of union officials. The rank and file won't have any say. It was apparent at the June 9 meeting that the International didn't have a strategy to mobilize members other than stand down.

GM and Ford can now cut as many jobs as they please with the UAW's blessing. Job cuts will save the automakers big bucks, but it's bloodletting for the rank and file and euthanasia for the union.

Anyone who has worked the line knows job cuts mean speed up, overload, excessive overtime, and health and safety hazards. Production doesn't slow down when the workforce is reduced. The jobs just get harder, faster, longer, and more dangerous.

GM's diktat on job cuts as a counterpunch to the competition didn't score many points with investors or employees but parts suppliers are biting their nails down to the knuckles.

The Three C's

In keeping with the corporate policy of making suppliers sacrifice, the UAW reopened the contract with Visteon and agreed to permit the sale or closure of thirteen plants. Delphi is next on the agenda. According to GM, Delphi costs them 2 billion a year in price and warranty penalties. Delphi and the UAW will meet again on June 21. History and recent concessions at Visteon indicate some Delphi plants are on the chopping block.

In recent years many plants formerly owned by the Big Three were forced into "separation agreements." The restructuring has instigated massive concessions, intolerable working conditions, and a gross neglect of ergonomic standards. The Corporations are breaking the union into smaller, more isolated, and thus more manageable pieces. Without a world view independent of the capitalists, the Union has no strategy other than the Three C's- Cooperation, Collusion, and Capitulation.

You Can't Destroy an Idea

Parts suppliers with the cooperation of the UAW have implemented two tier wage agreements that discriminate against an entire class of workers and sever the solidarity between generations. Lower tier workers deprived of defined pensions, short on cash, and weak on health care benefits will sacrifice retirees for personal gain just as they were sacrificed. Union members will eventually do management's dirty work and bust the union without hesitation or remorse.

Except of course, you can't destroy an idea. There are more UAW members in the Independent Parts Supplier ranks than there are in the Big Three. The International UAW has neglected them and left them to fend for themselves. If there is any hope for a resurgence of genuine unionism in the industrial sector, it will originate in IPS.

There is renewed interest in UAW New Directions Movement [www.uawndm.org], a reform group which has resurfaced after a long hiatus. The web site is undergoing renovation and will soon introduce a plan calling for a National Pattern Contract for IPS, Portability of Pensions, A National Benefits Pool, and Preferential Hiring and Transfer Rights for UAW members in IPS. NDM is promoting a NO Concessions campaign and advocating that the UAW put the horse in front of the cart by organizing transplants instead of lobbying for Democrats.

It remains to be seen if the sleeping giant can be aroused to action. In the meantime I intend to stick verbal firecrackers in her ears.

stay solid,

shotwell